

COURSE DESCRIPTIONS 科目簡介

COURSES FOR TAUGHT POSTGRADUATE PROGRAMMES

IBF502 Corporate Finance (3 credits)

This course covers the theories and practices of corporate finance as well as the financial decisions made by managers. The topics addressed in this course include the concept and techniques of valuation of cash flows, capital budgeting, risk and return, cost of capital, capital structure theories and decisions, dividend theories and policy, short-term financial management, corporate governance, control and restructuring.

IBF504 International Macroeconomics (3 credits)

(Restriction(s): Students are only allowed to take either IBF504 International Macroeconomics or IBF615 International Money and Finance, but not both.)

This course teaches the concepts and theories of international macroeconomics. The topics that it covers include balance of payments, money and inflation, exchange rate, optimum currency areas, and the impacts of fiscal, monetary and trade policies in open economies.

IBF505 Investment Theory and Applications (3 credits)

This course starts with an introduction to the investment environment and financial instruments. It then leads to the basic utility theory under uncertainty and the discussion on how to make optimal decision under uncertainty. It will focus on the concepts of risk and return, diversification, asset allocation and efficient markets.

IBF601 Microeconomics of Banking (3 credits)

This course presents the modern theory on microeconomic foundation of banking. The topics to be covered include the roles of banks (such as liquidity insurance, information sharing coalition, and delegated monitoring, etc.), optimal contracting between lenders and borrowers, credit rationing, industrial organisation approach to banking, bank runs and systemic risks, the need for a central bank, deposit insurance, and so on. Emphasis will be given to applying to banking the concepts and theories developed over the last twenty years in the field of economics of information and contract.

IBF602 Derivatives and Risk Management (3 credits)

(Prerequisite(s): IBF505 Investment Theory and Applications or equivalent)

The course aims to provide an introduction to derivatives and risk management. It will examine different types of domestic and global financial risks faced by financial institutions and cover the theory and practice of pricing and using of derivative securities in risk management. The course takes the approach of identifying the risks and their management issues, pricing of selected financial instruments, methods of determining “Value at Risk” (VAR), and other methods of risk management.

IBF603 Multinational Financial Management (3 credits)

(Prerequisite(s): Undergraduate Course in Financial Management or Corporate Finance)

This course provides students with detailed knowledge and techniques relevant to financial planning, governance & control, decision-making, risk management and performance appraisal for multinational business operations. To pave the way for future career developments, students will learn practical ideas on financial and risk management skills required to become corporate executives in multinational corporations.

IBF604 Financial Econometrics I (from 2017-18)/ **Financial Econometrics** (in 2016-17 or before) **(3 credits)**

This course provides students an introduction to the principles of econometric analysis. The course equips students with appropriate econometrics techniques and software skills for doing empirical research in economics and finance. The emphasis of this course will be on developing and applying regression techniques in cross-sectional contexts.

IBF605 Business Valuation and Financial Statement Analysis (3 credits)

(Prerequisite(s): IBF619 Accounting for Financial Professionals or equivalent)

This course focuses on teaching the concepts and techniques of fundamental analysis, which are useful not only for investment decisions but also for management's assessment of their own firm's strength and weakness. The recognition of genuine liabilities, cash flow analysis, financial statement consolidation techniques and equity/business valuation models will be covered.

IBF606 Financial Institutions on the Chinese Mainland and in Hong Kong (3 credits)

This course examines how financial markets (such as those for bonds, stocks, mortgages) and financial institutions (commercial banks, non-banks, investment banks, insurance companies, pension funds, mutual funds, and other institutions) work. Financial markets and institutions not only affect your everyday life but also involve huge flows of funds throughout economies, which in turn affect business profits and production of goods and services. The study of financial markets and institutions will reward you with an understanding of many exciting issues.

The financial institutions in China and those in Hong Kong, as in the US, have undergone rapid changes in recent decades. This course provides a comprehensive survey of the nature and the role of financial markets and institutions, with particular emphasis on Hong Kong and China. It also examines the various dimensions of issues about regulation and prudential supervision, and the developments of such institutions.

IBF607 International Accounting (3 credits) (deleted from 2018-19)

Accounting has changed as the environments it serves have changed. The financial, economic, social, cultural and political environment evolves in different ways in different parts of the world. This course traces the international development of accounting, examines the critical factors that determine national difference in accounting systems, and assesses how multinational corporations including banks and financial institutions cope with these accounting diversities. More specifically, the objectives of the course are (1) to study the differences in accounting systems in major countries in the world and the environmental factors that drive these differences, and (2) to examine accounting issues that are of special importance to multinational corporations operating simultaneously in many parts of the world.

IBF609 Globalisation and Financial Market Development (3 credits)

This course equips the students with a global perspective and a useful theoretical framework on financial market development, which is really essential for decision makers in the financial sector in fast globalisation world. The nature and the dynamics of globalisation will be explored, and the financial sector seen as both a force behind globalisation and an industry very much driven by the forces of globalisation.

IBF610 Information Technology in Banking and Finance (3 credits) (deleted from 2018-19)

The recent development of information and technology has transformed the way of organising business in the banking and finance industry. This course intends to show how the automation of routine tasks has led to re-engineering entire sectors of the industry,

including electronic funds transfer, credit and debit cards, share dealing, with special reference to problems of balancing collaboration vs competition between banks and other service providers. It will also cover problems created by incompatible IT systems, particularly in respect of mergers and the development of joint services, differing roles for computer based systems, and methods of control over computerised financial transactions.

IBF611 Management of Banks and Financial Institutions (3 credits)

The course would cover the theories and practice of the landscape, operations, and development of commercial banks and financial institutions. Topics like the regulations, organisation and operations of banks and financial institutions, the management of asset and liability, liquidity risk, capital risk, interest rate risk and credit risk will be discussed.

IBF612 Professional Issues in Banking and Finance (from Term 2, 2019-20) (1.5 credits)/ Current Issues in Banking and Finance (in Term 1, 2019-20 or before)/ Selected Topics in Banking and Finance (in 2017-18 or before) (3 credits)

This course will cover topics related to ethical and regulatory issues in banking and finance, investment banking, commercial banking, equity capital markets, brokerage operation and so on. Lectures would be delivered by seasoned professionals who have rich practical experience in relevant fields.

IBF613 Credit Risk Management (3 credits)

(Prerequisite(s): (a) IBF502 Corporate Finance or IBF603 Multinational Financial Management; and (b) IBF505 Investment Theory and Applications or equivalent)

Basel III, a global banking regulation starting to be implemented in 2013, requires banks to strengthen their credit risk management and link their capital charge with internal risk measures. This motivates banks to spend additional resources on enhancing risk management systems and hiring specialists to manage risks. This course aims to introduce the credit risk concepts and the credit evaluation and management process both at the individual loan and the portfolio level. A wide range of methodologies that enable banks to manage their credit risk will be discussed.

IBF614 Fixed-Income Securities (3 credits)

(Prerequisite(s): IBF505 Investment Theory and Applications or equivalent)

Fixed-income securities include bonds and structured products (e.g. mortgage-backed securities and asset-backed securities) that promise interest payments and repayment of the amount borrowed. They also extend to all securities whose valuation and hedging are related to interest rates. In the sale of those securities by issuers to investors, credit ratings are critical in the assessment of the credit risk associated with such securities.

The course will cover the basics of various types of fixed-income securities and securitization products, as well as the terminologies and methodologies of credit rating of corporates, financial institutions and securitizations. These concepts and tools are useful to practitioners who want to use these securities, whether for investing, hedging, market-making, or speculating.

IBF615 International Money and Finance (3 credits)

(Restriction(s): Students are only allowed to take either IBF504 International Macroeconomics or IBF615 International Money and Finance, but not both.)

Today's financial markets are truly global in nature. No student of economics or finance can fully understand current developments without some background in international finance. This course attempts to cover the practical issues of international finance and summarizes the current literature with only elementary math as a prerequisite. The practical questions include, but not limit to, where to borrow and invest internationally,

what different types of international bonds and stocks can be used to raise capital, how exchange rates affect cash flows, what can be done to avoid foreign exchange exposure and risk, and the general financial management problems of doing business in the global environment.

IBF616 Comparative Development of International Financial Centres (3 credits)

International financial centres (IFCs) are an important subject of widespread interest. To become or to establish an indigenous international financial centre has traditionally had strong appeal for many countries and particularly, in more recent years, for more advanced emerging economies. At the same time, industrial countries with developed IFCs are attempting to protect or strengthen them. This course focuses on why IFCs are located geographically where they are, what institutions and infrastructure have been instrumental to their development, and the economic costs and benefits of being an IFC. Particular reference will be made to Hong Kong and emerging economies such as China in the aftermath of the Asian financial crisis, China's accession to the World Trade Organisation, and the 2007-08 global financial tsunami.

IBF617 Global Investment (3 credits)

(Prerequisite(s): (a) IBF504 International Macroeconomics or IBF615 International Money and Finance; (b) IBF505 Investment Theory and Applications or equivalent; and (c) IBF604 Financial Econometrics I or equivalent)

This course is designed for graduate students for Master's degree in finance, investment professionals, and financial managers. Today much of investing is global in nature and this course gives students the tools needed to operate in an environment of global finance, global investment, and global competition. The globalisation argument can be summarised to "why not learn internationally rather than only domestically?" The benefits of international diversification of risk and return have increasingly been recognised. We have seen that guidelines and legislation have been made more favorable to foreign investment. The global integration of financial markets has led to reduced costs, easier access to information, and rapid development of worldwide expertise by major financial institutions.

IBF618 Financial Econometrics II (from 2017-18)/ Advanced Financial Econometrics (in 2016-17 or before) (3 credits)

(Prerequisite(s): IBF604 Financial Econometrics I or equivalent)

This course mainly covers time series modeling, panel data analysis and limited dependent variable models. The course focuses on theoretical underpinnings of the relevant estimation and inferences. It also includes a hands-on component where students will apply various techniques discussed in class to financial time series and panel data.

IBF619 Accounting for Financial Professionals (3 credits)

The objectives of this course are to provide students with a framework to understand the accounting process in entities and acquire the accounting knowledge that are essential to financial professionals. In addition, this course also introduces students the tools to understand and to interpret information from financial statements, and to enable them to make sound decisions based on relevant accounting information.

IBF620 Legal Issues in the Regulation and Compliance of Financial and Banking Institutions (3 credits)

The course aims to introduce students to some of the most important issues of regulation and compliance of the banking and financial institutions in Hong Kong. Having completed the course, students should have a firm foundation for understanding of such issues, including insider dealing, securities price manipulation, investment product mis-selling, money laundering, and personal data protection. The course does not assume any legal knowledge on the part of students.

IBF621 Behavioral Finance (3 credits)

(Prerequisite(s): IBF505 Investment Theory and Applications or equivalent)

Behavioral finance uses insights from psychology to understand how human behaviors influence the decisions of individual investors, markets, and managers. This course (1) describes how individuals and firms make financial decisions, and how those decisions might deviate from those predicted by traditional financial or economic theories; (2) explores the existence of psychological biases in financial decision-making, and examines the impacts of these biases in financial markets and other financial settings; (3) discusses how the insights of behavioral finance complement the traditional finance paradigm.

IBF622 International Trade & Its Financing (3 credits)

(Prerequisite(s): IBF604 Financial Econometrics I)

This course will prepare students to understand international trade from multiple dimensions necessary to enhance the student's preparation for working in fields of international banking and finance. The first part of the course will present mainstream theories of comparative advantage-based trade (why trade takes place). The second part of the course will analyze foreign commercial policy and give students an opportunity to explain particular determinants of actual trade flows. The third part of the course will explain and analyze multiple ways to hedge against uncertainties inherent in the financing and shipping of goods across borders.

While some courses may study how to hedge risks from fluctuations in prices (e.g., exchange rates or prices of other goods), this course considers risks unique to the cross-border trade in goods: will an exporter follow through on his commitment to export? Will the shipped goods measure up to the criteria described in the contract? Will the importer pay on time? Will government agencies interfere with the transaction? This course will consider these questions as well as potential answers to them.

IBF623 Quantitative Methods for Finance and Economics (3 credits)

This course provides students with a number of important quantitative methods for finance and economics. Topics are selected according to their practicality. The course begins with the basics and gradually progresses to more advanced topics.

IBF624 Fintech Trends and Challenges (3 credits)

Fintech is a portmanteau of financial technology that describes an emerging financial services sector in the 21st century. It refers to anywhere technology is applied in financial services or used to help companies manage the financial aspects of their business, including new software and applications, processes and business models.

This course will provide an overall understanding of the theoretical framework and different aspects of financial technology through seminars and lectures. Specifically, it will cover topics in internet finance, crypto-currencies, blockchain-based systems, crowdfunding, robo-adviser, peer-to-peer lending, regulatory technology, cyber security, data protection, regulation of Fintech and the like. Upon the completion of this course, students will develop a broad understanding and strong analytical skills in various Fintech areas and their impact to the banking and finance sectors.

IBF625 Regional Study of a Financial Centre in the East (1.5 credits)

As an intensive and experiential unit, this course offers valuable opportunities for students to learn beyond classroom. A study tour to a financial centre in the East with local pre-tour and follow-up sessions would be arranged for students in order to enhance students' international exposure and experiential learning. An instructor from the selected financial centre would deliver an overview of its economic and financial development. Students will engage in field visits, seminars and discussions to gain firsthand experience and insights of the characteristic of the selected financial centre, and

then will further analyze the comparative advantages and limitations of the selected financial centre.

IBF626 Regional Study of a Financial Centre in the West (1.5 credits)

As an intensive and experiential unit, this course provides a platform for students to learn beyond classroom. A study tour to a financial centre in the West with local pre-tour and follow-up sessions would be arranged for students in order to enhance students' international exposure and experiential learning. An instructor from the selected financial centre would deliver an overview of its economic and financial development. Students will engage in field visits, seminars and discussions to gain firsthand experience and insights of the characteristic of the selected financial centre, and then will further analyze the comparative advantages and limitations of the selected financial centre.

IBF627 Practical Cases in Banking and Finance (1.5 credits)

This course will cover the practice of private banking, private equity, start-up financing and venture capital. Lectures would be delivered by seasoned professionals who have senior experience in relevant fields. Students will role-play as finance professionals to present practical cases in class.